

## ASX Release

**PERTH, May 22, 2017**

### **Market Update & CEO Resignation**

MOKO SOCIAL MEDIA LIMITED (ASX: MKB) (the Company), as previously announced, the Company is in discussions to raise the longer term funding required to execute its business plan, which may involve a business combination transaction, and given the material nature of these discussions and their impact on the assessment of the Company's financial statements for the half-year ended 31 December 2016 by the Directors and the Company's auditors, the Company determined to delay the filing of these financial statements. As a result, the Company has remained in voluntary suspension since the half-year financial statements filing deadline of 28th February 2017.

The Company advises that whilst these negotiations are taking longer than originally anticipated, a number of live transactions and funding opportunities are in various stages of progress.

To enable the Company to pursue these opportunities the Company raised funding via a secured convertible note as announced on 28th February 2017. The Company confirms that the A\$715,000 in convertible note commitments outlined in this announcement were received. Some additional subscriptions in the convertible note have been taken on the same terms, taking total funds received to A\$780,000.

In the announcement made on 28th February 2017, the Company advised that an existing secured loan totalling A\$677,000 would be applied as a subscription in the convertible note. Whilst the lender has advised this is still their intention, the documentation is yet to be executed.

The Company requires further funding to conclude the live transaction and funding opportunities being pursued and is in discussions to raise this funding.

In the interim the Company has significantly reduced overheads and has reluctantly accepted the resignation of the Chief Executive Officer Mr. Shripal Shah, effective May 17. At this point in time Mr. Shah remains as a non-executive Director of the Company.

The Company will keep the market informed of material developments.

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## Note

This announcement is for informational purposes only and is neither an offer to sell nor an offer to buy any securities, or a recommendation as to whether investors should buy or sell.

### Special Note on Forward--Looking Statements

This press release contains information that may constitute forward--looking statements and uses forward--looking terminology such as "anticipate" "propose" "expect" and "will," negatives of such terms or other similar statements. You should not place undue reliance on any forward--looking statement due to its inherent risk and uncertainties, both general and specific. Although we believe the assumptions on which the forward--looking statements are based are reasonable and within the bounds of our knowledge of our business and operations as of the date hereof, any or all of those assumptions could prove to be inaccurate. Risk factors that could contribute to such differences include our ability to prepare required documents in connection with the proposed offering, the timing of regulatory review, performance of our shares on the OTC Market, and the performance of the United States and global capital markets and companies in our sector, as well as factors relating to the performance of our business, including intense competition we face; failure to innovate and provide products and services that are useful to users; our ongoing need for capital for investment in new and existing business strategies and new products, services and technologies, including through acquisitions; our dependence on advertising revenues; the potential for declines in our revenue growth rate and downward pressure on our operating margin in the future; increased regulatory scrutiny that may negatively impact our business; legal proceedings that may result in adverse outcomes; failure to maintain and enhance our brand; uncertainty as to our ability to protect and enforce our intellectual property rights; and uncertainty as to our ability to attract and retain qualified executives and personnel. The forward--looking information provided herein represents the Company's estimates as of the date of the press release, and subsequent events and developments may cause the Company's estimates to change. The Company specifically disclaims any obligation to update the forward--looking information in the future. Therefore, this forward--looking information should not be relied upon as representing the Company's estimates of its future intentions as of any date subsequent to the date of this press release. Our plans may differ materially from information contained in the forward--looking statements as a result of these risk factors or others, as well as changes in plans from our board of directors and management.